

CALIFORNIA HORSE RACING BOARD
NOTIFICATION OF MODIFICATION TO THE TEXT OF THE
PROPOSED AMENDMENT OF
RULE 1481, OCCUPATIONAL LICENSES AND FEES
RULE 2071, LICENSE TO CONDUCT ADVANCE DEPOSIT WAGERING BY A
CALIFORNIA APPLICANT

Pursuant to the requirements of Government Code Section 11346.8(c) and Section 44 of Title 1 of the California Code of Regulations, the California Horse Racing Board (CHRB or Board) is providing notice of changes that have been made to the text of the proposed amendment of Rule 1481, Occupational Licenses and Fees; and Rule 2071, License to Conduct Advance Deposit Wagering by a California Applicant.

The text of Rule 1481, Occupational Licenses and Fees, has been modified to add a comma to subsection (b)(6). The proposed amendment to the text of Rule 2071, License to Conduct Advance Deposit Wagering by a California Applicant, currently sets the term of license at “up to two years.” Subsection 2071(b) has been changed to remove the words “up to,” which will have the effect of leaving the term of license to conduct ADW by a California applicant at two years. The form Application For License To Conduct Advance Deposit Wagering, CHRB-132 (Rev. 02/19) (CHRB-132), which is incorporated by reference in Rule 2071, has been modified to: 1) change subsection 3.B.10. to remove “California Corporations Commission,” which no longer exists, and insert “Department of Business Oversight”; 2) change subsection 3.B.11. to require that the prior two year’s annual profit and loss statements for California operations only be submitted; 3) change subsection 3.C.8. to remove “California Corporations Commission,” which no longer exists, and insert “Department of Business Oversight”; 4) changed subsection 3.C.9. to require that the prior two year’s annual profit and loss statements for California operations only be submitted; 5) change subsection 3.D.3. to require the submission of the prior two year’s annual financial statements for the partnership/sole proprietor, and a copy of all reports issued during the preceding 24 months to shareholders/and or the Security and Exchange Commission and/or the Department of Business Oversight; 6) change subsection 3.D.4. to require the prior two year’s annual profit and loss statements for the California ADW operations only be submitted. All other changes to the CHRB-132 were for the purposes of clarity and consistency. The form Application For Approval to Conduct Advance Deposit Wagering, CHRB-133 (Rev. 02/19) (CHRB-133), which is incorporated by reference in Rule 2072, has been modified to: 1) add a period to subsection 3.B.4.; 2) in subsection 3.B.5. add an “s” to the word “share” and a closing parenthesis; 3) in subsection 3.B.10. change the period the required annual financial statements for the corporation must cover from the preceding 12 months to the preceding 24 months; 4) in subsection 3.B.11. clarify that two year’s annual profit and loss statements are required by adding the word “two”; 5) modify subsection 3.C.4. to collect the CHRB occupational license number of the ADW provider’s officers and directors; 6) modify subsection 3.C.8. to require the submission of the prior two years annual financial statements, and copies of all reports issued during the preceding 24 months; 7) modify subsection 3.C.9. to require that the prior two year’s annual profit and loss statements for the California ADW

operations only be submitted; 8) modify subsection 3.C.9. To require two year's annual financial statements and all reports for the preceding 24 months be submitted; 9) modify subsection 3.D.3. to require that the prior two year's annual financial statements and a copy of all reports issued during the preceding 24 months be submitted; 10) modify subsection 3.D.4. to require the prior two year's annual profit and loss statements for California ADW operations only be submitted. All other changes to the CHRB-133 were for the purposes of clarity and consistency.

The original amendments were noticed to the public on March 1, 2019 and were the subject of a public hearing on April 18, 2019. The modifications reflected in this Notice are in response to recommendations made by the Office of Administrative Law.

A copy of the full text of the regulations with the proposed changes indicated is attached for your review. Additions to the originally proposed language appear in double underlined text and deletions are shown in ~~double-strikeout~~.

Any interested person may submit a written statement relating to the modified language during the public comment period from **August 5, 2019 to August 19, 2019**. The written comment period will close **August 19, 2019**. Submit written comments to:

Harold Coburn, Regulation Analyst
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825

All written comments received by the CHRB by **August 19, 2019**, which pertain to the indicated changes, will be reviewed and responded to by the Board's staff as part of the completion of the rulemaking file. Please limit your comments to the modifications to the text, which appear either in double underline or in ~~double-strikeout~~.

Questions concerning the proposed amendment may be addressed to Harold Coburn at (916) 263-6026, or at haroldc@chrb.ca.gov, or at the address above. If Harold Coburn is not available, questions concerning the proposed amendment may be directed to Robert Brodnik, Staff Counsel, at (916) 263-6025.

CALIFORNIA HORSE RACING BOARD
August 5, 2019